

Connections

An Office of Retirement Services Publication

October 2014, Vol. 17 No. 2

Our Purpose

We are an innovative retirement organization driven to empower our customers for a successful today and a secure tomorrow.

In this issue

Strengthening Communities 1

Message From the Director 2

Tips for Good Giving 2

Getting Ready for Medicare 3

What's Your Encore? 3

Ask an Expert..... 4

Let Us Know 4



Strengthening Communities

Financial security helps pensioners spend time, money locally

Earlier this year, we surveyed our retirees to learn how pensions support their lifestyles and their communities. We found that in addition to injecting more than \$4.6 billion into Michigan communities, our retirees are financially secure in a way that allows them to be charitable, involved in their communities, and to care for their families.



Here's what you told us:

"It means the difference between being self-sufficient and needing financial help. I value my ability to live independently, and my pension allows me to do that."

"Every month we contribute to a number of charities, including those for veterans, people with disabilities, and people who need help with food and utilities. We also faithfully pay tithes to our church. I volunteer 2-4 hours per week at the local food bank. Without our pensions, we would be unable to do many of those things, and we would not be able to maintain our current standard of living."



"My pension has given me the ability to retire from full time work to take care of my 91-year-old mother, care for my own health needs, serve my church and community, travel, and ease into aging with security."

"... without it, I'd have to sell our house and live in our truck."

We take pride in the work we do to deliver the benefits you earned, which bring so much value to you and our great state.

88%
Stay in Michigan

97%
Actively Vote in Elections

98%
Give to Charity

85%
Actively Volunteer

84%
Are Financially Self-Sufficient

Why use miAccount?

You can quickly and easily view your account details, update your address, change your tax withholding, enroll in direct deposit, print your 1099-R, or ask ORS a question using our secure Message Board. Signing up is easy!

Register today at www.michigan.gov/orsmiaccount.



From the Director



It's October and it's time for leaves, fresh apple cider, and—dare I say it?—election season.

To be honest, I think retirement will still be a hot topic for the foreseeable future. We at the Office of Retirement Services, an agency within the State of Michigan's Department of

Technology, Management and Budget, are committed to safe and secure delivery of pension benefits in a predictable way both now and in the future.

How are we working towards that end?

We can confirm that the legislative reforms of the past couple years have saved the money that was projected. Also, investment returns in pension funds have performed well the past couple of years. We're not yet

at our desired funding level, but we're making good progress.

We are always looking for ways to innovate our internal processes so we can offer even better service to you. This attention to administrative details has resulted in a very low-cost and good service environment compared to other state retirement systems of approximately the same size as ours.

These are a few reasons why you should feel confident about the pension you're receiving.

I wish you the best this season has to offer.

A handwritten signature in black ink that reads "Phil Stoddard". The signature is written in a cursive, slightly slanted style.

Phil Stoddard, Director
Office of Retirement Services

Tips for Good Giving

It's nearing the end of the year, and across the state worthwhile nonprofit charitable organizations are counting on you for support. How do you make the right choice in your giving? What are the tax benefits? Check out the tips below, which are adapted from those at www.guidestar.org, a leader in nonprofit charity research.

First, clarify your beliefs and preferences. What issues matter most to you? Do you care about animal welfare, the environment, or hunger? In what geographic area do you want to make an impact? Make sure the organization's mission aligns with your vision for giving.

Second, make sure the charity is legitimate and tax-deductible. You can check out an organization's legal tax status at both www.guidestar.org or through the IRS at www.irs.gov/Charities-&-Non-Profits/Exempt-Organizations-Select-Check. For those who itemize, charitable gifts to qualified organizations are deductible. Please consult with your tax professional for more in-depth advice on charitable giving benefits.

Next, do your research. Read the website or literature from the organization. Do they clearly describe their programs and goals? How do their finances look and how readily available is that information?

Finally, trust your instincts. Avoid charities that won't share information or pressure you. Reputable nonprofits will discuss their programs and finances.

If you're still unsure of where to give, two reliable and well-established vehicles for giving are community foundations and United Way agencies. These organizations will direct your donation to the greatest need in your community.



Getting Ready for Medicare – Tips and Timeframes

When you first become eligible for Medicare, your retirement system and Medicare work together to ensure access to quality health and prescription drug services.

Most people are eligible for Medicare at age 65 or after 24 months of receiving a Social Security Disability benefit.

If you're already receiving Social Security benefits, Medicare will automatically enroll you in Parts A (Hospital) and B (Medical) about 3 months before you turn age 65. You will get your red, white, and blue Medicare card in the mail 3 months before your 65th birthday if you are auto-enrolled.

If you are not receiving Social Security benefits, or you become eligible for Medicare before age 65, you will need to enroll with both Medicare and ORS. To enroll with Medicare, apply online at www.medicare.gov. To enroll with ORS, apply online

at www.michigan.gov/orsmiaccount or fill out an *Insurance Enrollment/Change Request* form.

It's important to enroll in Medicare Parts A and B when you are first eligible. If you do not enroll in

Parts A and B, your enrollment in your retirement system's health or prescription plans could be delayed and you could experience higher out-of-pocket costs. When you enroll in a prescription drug plan, ORS will automatically enroll you in Medicare Part D if appropriate.

Because you are enrolled in both ORS retiree insurance, and Medicare, you will pay premiums to both ORS and Medicare. The premium for your ORS

health insurance is reduced or eliminated when you enroll in Medicare. For Medicare, there is no cost for Part A, and, for most people, the cost of Part B in 2014 is \$104.90 per month.

To avoid extra cost or any gaps in your insurance, keep these timelines and tips in mind.

If you do not enroll in both Medicare Parts A and B when first eligible, your enrollment in your retirement system's health or prescription plans could be delayed or you could experience higher out-of-pocket costs.

What's Your Encore?

Retirement is a great time to start an encore career. Chris Farrell, in his book *Unretirement: How Baby Boomers Are Changing The Way We Think About Work, Community, and the Good Life*, states that retirement is becoming "less a model of disengagement from work and neighborhood to one of continuing engagement in work and community." Here are three great ideas for your encore:

Start a business. Maybe your encore will be to open the small business you've always wanted to start. It might be a shop or a café. Maybe you'll start a business that provides a service.

Continue your education. Recent studies show that learning a new skill, like digital photography or quilting, can improve your memory. Learning a new



Continued on page 4

Connections is published semiannually for retirees served by the Department of Technology, Management and Budget

Office of Retirement Services
Director Phil Stoddard

Office of Retirement Services (ORS)

P.O. Box 30171
Lansing, MI 48909-7671
Phone: (800) 381-5111; in Lansing: 322-5103
www.michigan.gov/ors

Ask an Expert

ORS experts answer frequently asked questions

Q: *Where can I find my pension payment details?*

A: There's no need to wait for a printed statement. Detailed information is available for you to view at any time when you're logged in to miAccount. Go to the Pension Payments section for Pension Payment History, Tax Withholding, Federal 1099-R, Direct Deposit, and to print Proof of Income.

Q: *When will I get my 2014 1099-R?*

A: You will be able to get your 1099-R in miAccount in early January. Log in to miAccount and click on Pension Payment on the left side of the screen. There you can view and print a current 1099-R form and previous 1099-Rs back to 2002.

A paper copy of your 1099-R should arrive in the mail by the third week in January.

Let Us Know

Not sure what to report? Here are the most common situations that would require you to update your information.

Address, email, tax, or direct deposit changes. It is critical that you make these changes with our office.

Death. Contact us right away if a pension recipient, a pension beneficiary, or anyone enrolled in your health, prescription drug, dental, or vision insurances dies.

Divorce. Contact us right away.

Marriage. Contact us right away if you want to add your new spouse to your insurances.

Medicare. Anyone enrolled in health insurances must sign up for Medicare Parts A and B if and when first eligible. If you or your dependents become eligible for Medicare before age 65, and you're not covered under your spouse's active insurance let us know.

The fastest, easiest way to report these and other life events is through miAccount. You can make instant changes from 5 a.m. to midnight, rather than calling our office during work hours.

What's Your Encore continued from page 3

language or musical instrument can also have positive effects on brain function. You might consider returning to college. Many Michigan colleges and universities offer senior tuition discounts. Local community education programs have affordable classes on a variety of subjects.

Serve your community. Perhaps your passion is community service. Many nonprofits in our state could not function without the dedicated service of its retired volunteers. Putting your skill to use for the greater good in a volunteer or paid position at a nonprofit can be a purposeful second act.

However you choose to live your encore, make it spectacular!

Pension Pay Dates

Pension payments are issued on the 25th of the month. If the 25th falls on a weekend or holiday, your pension will be paid the previous business day; December's pension payment will be paid on December 18. If your direct deposit is not credited within three days after the scheduled payment date, contact ORS.

Office Closures

November 4 - Election Day
November 11 - Veterans Day
November 27 & 28 - Thanksgiving
December 24 & 25 - Christmas
December 31 & January 1 - New Year's
January 19 - Martin Luther King, Jr. Day
February 16 - Presidents' Day

Our website is available seven days a week, even when our office is closed: www.michigan.gov/ors